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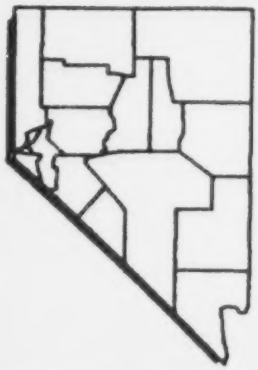

Nevada Employment Security Department

economic update

RICHARD H. BRYAN
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ECONOMIC INDICATORS

Unemployment Rate (Seasonally-Adjusted)

		JAN	FEB	MAR
Nevada -	1983	11.1	11.3	10.8
	1982	8.5	9.1	9.8
Las Vegas -	1983	11.9	12.1	11.7
	1982	9.4	9.8	10.5
Reno -	1983	9.0	9.3	9.1
	1982	6.4	6.9	7.4
U.S. -	1983	10.4	10.4	10.3
	1982	8.6	8.8	9.0

Consumer Price Index All Urban Consumers (1967=100)

	JAN	FEB	MAR
1983	293.1	293.2	293.4
1982	282.5	283.4	283.1

Gross Gaming Revenues (In Thousands)

	4th Qtr. 1982	4th Qtr. 1981
Nevada	599,497	606,839
Las Vegas	402,762	419,682
Reno	122,290	117,205

Taxable Sales (In Thousands)

	4th Qtr. 1982	4th Qtr. 1981
State	1,642,093	1,690,806
Las Vegas	907,328	934,197
Reno	400,546	432,972

THE NEVADA ECONOMY FIRST QUARTER 1983

Nevada's seasonally adjusted unemployment rate dropped to 10.8 percent in March, after two consecutive months above 11 percent. January experienced 11.1 percent unemployment, while February climbed to an all-time high 11.3 percent. While these rates average about 2 percentage points higher than year ago levels, there is a note of optimism not seen last year. In 1982, the rates climbed from 8.5 percent in January to 9.8 percent in March, ushering in a year of high unemploymet and declining employment.

In 1983, however, the decline in March unemployment tentatively signals a recovery from a crippling recession. It should be noted that a one month drop does not establish a trend, but continued improvement seems likely in the future. Continued claims for unemployment insurance (those persons receiving checks) have approached year ago levels, while initial claims (those persons filing for a new spell of unemployment) have generally fallen below 1982 levels.

The strength of the recovery may depend upon the creation of new jobs. The first quarter showed an average of 1,000 less jobs than in 1982 (as measured by the establishment-based industrial employment series.) Most of the industrial sectors actually showed less employment, but these losses have been partially offset by growth in the service sector. While jobs have been created in services over the year, the 2 percent average growth is actually far below historical standards.

The general decline of interest rates has had no major impact on construction employment in the first quarter. This may, in fact, be due as much to poor weather patterns as any other consideration. Judging from the increased activity in building permits statewide, employment in this sector should rebound significantly in the coming months.

LAS VEGAS

The overall economic picture appeared to brighten during the first quarter of the 1983 calendar year. However, there was little evidence of any signficant improvement in labor market conditions, despite the fact that the unemployment rate started the year at 11.9 percent in January, peaked at 12.1 percent in February and then fell to 11.7 percent in March. Unemployment in Las Vegas is still relatively high and a one month decline in the rate does not necessitate a long term trend representative of a sustained reduction in unemployment. Therefore, a degree of caution should be undertaken when interpreting the March decline in unemployment. However, the projected rate is expected to trend downward as the year progresses, but individual monthly rates may rise or fall.

Establishment-based industrial employment did not reflect any significant gains during the quarter. When viewed on a month to month basis, seasonal employment increases actually worsened during the quarter indicating that firms were not hiring at the same level during early Spring as they have in previous years. In absolute terms, the services industry reflected the largest gain, increasing by 500 jobs during the quarter. The remaining major industrial sectors did not have any significant gains or losses. Total industrial employment figures for March 1983, reflect a gain of 1,200 jobs over the year, a one-half of a percentage point gain. The only relatively signficant gain in the number of jobs from March 1982 to March 1983 was in the hotel/gaming/recreation sector, while a noticeable loss of jobs was recorded in air transportation and general merchandise and apparel trade.

Other economic indicators seemed to appear somewhat more optimistic. Despite less than perfect weather conditions, the number of visitors to the area continued to improve over 1982 and according to the Las Vegas Convention and Visitors Authority, room tax revenues, occupancy rates, convention attendance and future room reservations were all up during early 1983.

Furthermore, the number of persons initially filing for unemployment insurance has steadily dropped and was below the previous years figures during most of the month of March. Continued claims for unemployment insurance, a long standing indicator of economic trends, have also moved downward and dipped below 1982 claims during March. Residential construction permits also appear to be a harbinger for slowly improving economic activity. Even though new permits do not necessarily mean a construction project is starting, they usually point the way to improved employment activity and building material sales in the near future. During the first quarter of 1983, permits were up nearly 83 percent over the same period in 1982. However, the less than desirable first quarter weather has delayed or slowed any construction resurgence in the area as exhibited by construction employment which still appeared sluggish.

Overall, it would appear the business climate attitude in the area is now one of cautious optimism. It now appears tourist numbers will be significantly higher than the 11.6 million visitors to the area during 1982. The hotel/casino industry is slowly gearing up for a busy summer, which should cause a noticeable spinoff of improved economic conditions throughout many of the industrial sectors in the Las Vegas area and the State. Job growth should generally increase over the virtual no-growth situation experienced during 1982. Unemployment will gradually moderate as the year progresses.

RENO

The seasonally adjusted unemployment rate for the Reno metropolitan area remained near record-highs during the first quarter of 1983. Joblessness for February 1983, with 14,800 unemployed and a 9.3 percent rate, represented the record-high. The comparable rate during February 1982 was a much lower 6.9 percent. However, a

modest improvement occurred between February and March of this year when it dropped from 9.3 to 9.1 percent. In spite of these high unemployment levels, joblessness in the Reno area has consistently been below that of the Las Vegas area, as well as Nevada and the United States.

Establishment-based industrial employment in the Reno area continues to be relatively flat with marginal improvements anticipated in the near future. The large number of job layoffs that occurred due to the closure of the Mapes Hotel/Money Tree Casino in December 1982 was one of the major factors. Periodic layoffs have also occurred in numerous manufacturing and hotel/gaming/recreation facilities due to lack of business attributed to the national recession. Also playing a major role in the area's lack of business activity was the harsh weather. First quarter's heavy snow storms have led to traffic controls and periodic highway closures throughout much of this winter, curtailing the flow of tourists to the Truckee Meadows and area resorts. During February 1983, selected area daily vehicle traffic counts (4 stations) continued down when compared to a year ago. Air traffic arrival and departure counts also indicate a decline in tourist traffic. Fourth quarter 1982 revenues from gross taxable sales for the county showed a disappointing decrease of 7.5 percent when compared to the year ago period. However, on a more positive note, fourth quarter 1982 gross gaming revenues for Washoe County increased 4.3 percent over the same quarter one year ago.

Establishment-based industrial employment in the Truckee Meadows increased by 1,100 jobs between January and March 1983 reaching a total of 111,700. In spite of this sizable gain, the March 1983 employment level was 1,200 jobs fewer than a year ago. The bulk of the losses occurred in the manufacturing and transportation/communication/public utilities industries. Employment decreases in finance/insurance/real estate, construction, and government were offset by gains in trade and services. Jobs in the medical and health services industry increased in January due to the opening of the Sparks Family Hospital, the third major hospital in the area.

The outlook for the next several months is for gradual improvement. In spite of March's decline in joblessness high unemployment levels persist. With continued stability in the interest rates, moderate increases in consumer spending and industrial output, as well as positive signs from national and local economic indicators portend an optimistic view in the Reno area unemployment picture by mid-year.

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RECESSION AND RECOVERY REVIEW AND OUTLOOK

The nation's eighth recession since the end of World War II appears to have ended in late 1982, and with it, hopefully, Nevada's first true economic slump since the fifties. The past four years have seen rough economic sailing not only in Nevada and the United States, but throughout the world. Rapid technological change, volatile energy prices, overambitious industrialization by developing countries, and widespread political instability have all adversely affected economic events across the globe. The United States, as the major player in the economic arena, simply cannot escape these developments, whose consequences are felt to varying degrees across the country, including Nevada.

The idea that Nevada had a recession-proof economy was only true in a limited sense: the State merged to grow in good times and bad. The record clearly shows, however, the state unemployment increased and employment opportunities decreased whenever the national economy slumped. The recession-proof myth has surely been exploded by the state's performance over the past couple of years. Not only did Nevada's economy contract along with the national economy, but, in many respects, the local downturn was more severe.

Three separate factors seem to have conspired to create an unprecedented (in modern times) downturn across the state. Foremost was the severity and length of

the national recession. Four important segments of the state economy absorbed the brunt of the national downturn:

1. Mining - depressed prices combined with slack demand made many operations uneconomic.

2. Manufacturing - consumer reluctance reduced demand for products.

3. Construction - high interest rates and inflated prices brought housing activity to a near standstill.

4. Hotels, gaming, and recreation - high unemployment and the fear of unemployment reduced spending on tourist related activities.

All of the above problem areas should be self-correcting as the national economy improves. However, the prospects for the hotel, gaming and recreation industry are highly uncertain because of a second factor--the potential for tourism growth. With the establishment of casinos in Atlantic City, gaming is no longer unique to Nevada. Other areas may also enter this market in the near future. In addition, many states are actively pursuing the tourist dollar in other ways, while the worldwide strength of the dollar has made foreign travel a real alternative for many Americans. Combine this with a maturing tourism industry, and the industry's rapid growth of the past seems unlikely to be duplicated.

The third factor, which complicates the outlook for tourism and other industries as well, had its roots during the boom period of 1976-79. Specifically, how much of the retrenchment in the past few years was, in effect, caused by the earlier boom period? The answer is, of course, unclear. Nevertheless, market forces do seem to correct aberrant growth patterns eventually as industries adjust for overespansion. The greater the impact of this factor on economic performance the past few years, the more positive the state's outlook should be.

Overall, the Nevada economy should follow the lead of the national economy. Economists currently project a relatively subdued recovery for the nation due to fears of massive budget deficits, high interest rates, renewed inflation, etc. It should be pointed out, however, that forecasts are typically pessimistic during the early stages of recovery. Assuming that a modest improvement is in the cards, the following is the most recent estimate of the Nevada labor force picture for 1983 and 1984.

	1983	1984	% Change
Labor Force (000's)	507.2	531.8	4.9%
Unemployment (000's)	54.3	49.2	- 9.4
Unemployment Rate	10.7%	9.3%	--
Employment (000's)	452.9	482.6	6.6

This scenario depicts the state outperforming the nation in terms of growth, but is far below historical standards. A better or worse than expected economic performance for the United States should influence the Nevada outlook accordingly.

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NEVADA TAXABLE SALES 1979-1982

Sales taxes on food for home consumption were eliminated beginning with the third quarter of 1979. Since then taxable sales have provided a cyclically-sensitive series for analysis of the Nevada economy. The trend revealed by this analysis, however, makes for gloomy reading.

On a seasonally-adjusted basis, taxable sales grew by an average annual rate of nine percent between the third quarter of 1979 and the second quarter of 1981. This growth, though, belies the actual difficulties that Nevada was beginning to encounter at that time. Taking inflation into account*, real taxable sales declined at an annual rate of three percent over the same period. All of that drop occured during the first half of 1980, coincidental with the national mini-recession. Real taxable sales remained virtually flat through the next four quarters of modest national recovery, boding ill for the period that followed.

The United States economy again entered a recession in July 1981, and Nevada taxable sales have declined steadily ever since. This is true both on a nominal (4.6 percent annual rate) and a real (8.9 percent annual rate) basis.

To put the performance of taxable sales over the last three years in complete perspective, a look at the dollar figures is in order. Seasonally-adjusted quarterly sales stood at $1.56 billion at the end of 1979. They reached a high of $1.72 billion in mid-1981 and then fell to $1.60 billion by the end of 1982. Those three points translate into real sales (in 1967 dollars) of $755 million, $720 million and $626 million respectively. Looking at this in another way, had real sales remained at their late-1979 level, actual dollar sales would have approached $2 billion in last year's fourth quarter. Fiscally, this would have added $22 million to state and local government revenues.

Although the depression-like figures cited above paint a somber picture, the stirrings of economic recovery provide room for considerable optimism, at least for the near-term. Sharp cyclical downturns have always been followed by strong recoveries. Assuming this principle holds and barring another economic false start, taxable sales and the state economy should improve for some time to come. Indeed sales figures in early-1983 and other indicators show Nevada climbing out of the recession in lock-step with the national economy. Long-term prospects, however, are clouded by uncertainty over how well both the nation and the state can adapt to the structural changes and new realities that will be the hallmark of United States economics in the eighties.

*Nevada taxable sales were deflated by the Commodities less food portion of the U.S. Consumer Price Index.

Source: Basic data: Nevada Department of Taxation; seasonal and inflation adjustments by Employment Security Research.

DATA REVISIONS

At the beginning of each calendar year, most of the data series produced by this agency undergo a revision process. This procedure is needed to: 1) introduce methodology changes; and 2) replace sample data with more complete data.

Labor Force Revisions

The labor force series is popularly known as the "unemployment rate" series. To estimate the unemployment rate, a number of elements from many sources are compiled. These include: 1) claims data from the unemployment insurance system; 2) employment data from the establishment-based employment series; 3) data from the national Current Population Survey (C.P.S.); 4) relationships from the Census; and 5) data from the publication County Business Patterns.

In 1980, the latest Census was taken. Data is just now becoming available from this count which provides detailed characteristics about the persons living in the United States. Because of the delay in releasing the Census data, we have been forced to utilize the data as it becomes available. Both the 1981 and 1982 data revisions incorporated bits of the 1980 Census. It is now expected that the 1983 revisions introduced next year will take into account substantial changes due to the 1980 Census. This should affect Nevada more than most states because of the tremendous population growth experienced during the 1970's.

This year the main area of the 1980 Census that was used in the estimating of unemployment rates dealt with entrants and re-entrants into the labor force. This is a process for estimating the number of unemployed persons with either no prior or no recent experience in the labor force. With no prior earnings, these people are not participants in the unemployment insurance system, and therefore must be separately estimated.

Another factor that caused revisions in the 1982 data was the Current Population Survey (C.P.S.). The C.P.S. is a monthly survey conducted in all 50 states to yield unemployment rates for the Nation. There are 60,000 households surveyed each month, of which 1,000 are in Nevada. The method for estimating unemployment rate incorporates the use of a six-month moving average of C.P.S. data for each month's estimate. At revision time, C.P.S. data for the entire calendar year are used as control totals. In cases where there is little change in the unemployment rate over the course of the year, this method yields small revisions. However, with the growing unemployment experienced in 1982, the six-month moving average method actually masked the severity of the unemployment problem. The effect of this can be seen in the following table.

1982 Average
Labor Force Data

	Prior to Revisions	Subsequent to Revision
Labor Force	485,200	485,000
Unemployment	47,100	49,000
Unemployment Rate	9.7%	10.1%
Employment	438,100	436,000

Establishment-Based Industrial Employment

Monthly estimates of employment by industry are developed by a sample of cooperating employers throughout Nevada. Each year this sample is replaced by data obtained from the Unemployment Insurance system. This replacement is necessary as estimates based on sample data will vary somewhat from the time level of employment. This was especially true in 1982, with actual employment growth falling short of levels predicted by our sample.

Total All Industries

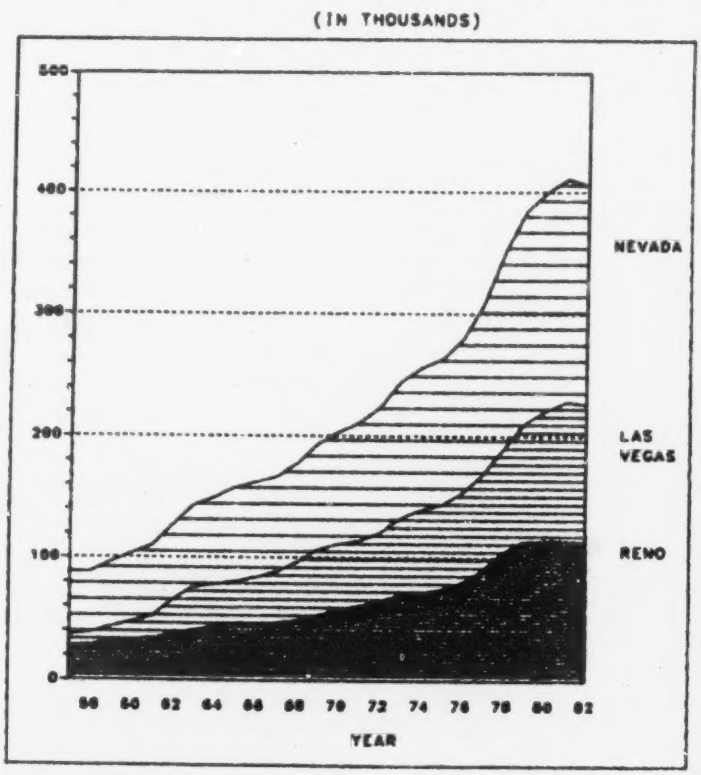
	State	Las Vegas	Reno
1982 Revised	405.7	226.9	113.4
1982 Preliminary	414.6	230.1	116.3
Change	-8.9	-3.2	-2.9
Percent Change	-2.1%	1.4%	2.5%

In comparing over-the-year changes, Nevada, Las Vegas and Reno all showed decline for the first time since this department began publishing data. The annual average employment for this state and major areas are shown below.

	1982	1981	Change	% Change
Nevada	405.7	411.2	-5.5	-1.3%
Las Vegas	226.9	228.4	-1.5	-0.7
Reno	113.4	114.6	-1.2	-1.0

Copies of the data revisions may be obtained by writing the Nevada Employment Security Research Section, 500 East Third Street, Carson City, NV 89713 or by calling 702-885-4550.

Nonagricultural Wage & Salary Employment



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This newsletter was prepared by the Employment Security Research Section of the Nevada Employment Security Department. For further information either write to us at 500 East Third Street, Carson City Nevada 89713, or call 702-885-4550.

NEVADA LABOR FORCE SUMMARY
(estimates in thousands)

	1983 JAN	1983 FEB	1983 MAR p	1982 JAN	1982 FEB	1982 MAR
Civilian Labor Force	484.1	488.2	492.8	466.2	471.6	478.1
Unemployment	59.9	60.1	55.8	44.0	45.8	46.4
Unemployment Rate	12.4%	12.3%	11.3%	9.4%	9.7%	9.7%
Unemp. Rate (Seasonally Adjusted)	11.1%	11.3%	10.8%	8.5%	9.1%	9.8%
Total Employment 1/	424.2	428.1	437.0	422.2	425.8	431.7
Nonagricultural Employment	420.7	424.6	432.8	418.8	422.4	427.5
Agricultural Employment	3.5	3.5	4.2	3.4	3.4	4.2
Persons Involved in Work Stoppages	0.0	0.0	0.0	0.0	0.0	0.0

1/ Adjusted by Census relationships to reflect number of persons by place of residence.

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ESTABLISHMENT BASED INDUSTRIAL EMPLOYMENT 2/

	1983 JAN	1983 FEB	1983 MAR p	1982 JAN	1982 FEB	1982 MAR
Total Nonagricultural	399.1	399.7	403.0	399.7	401.0	404.0
Mining	5.9	5.9	6.0	7.3	7.2	7.3
Metal Mining	3.7	3.7	3.8	4.7	4.5	4.5
Construction	19.1	18.8	19.4	19.9	19.5	20.1
Manufacturing	17.9	18.1	18.1	19.4	19.4	19.4
Durable Goods	11.1	11.2	11.2	12.8	12.9	12.9
Stone, Clay & Glass Products	1.2	1.2	1.2	1.3	1.3	1.4
Primary Metal Industries	1.1	1.2	1.2	1.7	1.7	1.7
Non-Durable Goods	6.8	6.9	6.9	6.6	6.5	6.5
Food Products	1.4	1.4	1.4	1.4	1.4	1.4
Printing & Publishing	3.2	3.2	3.2	3.1	3.1	3.1
Chemicals	0.8	0.8	0.8	0.8	0.8	0.8
Transportation & Public Utilities	24.2	23.9	24.1	24.8	24.9	25.0
Transportation	12.5	12.3	12.4	12.8	12.8	12.9
Railroad	1.8	1.8	1.8	1.8	1.8	1.8
Trucking & Warehouse	3.4	3.2	3.3	3.3	3.3	3.3
Air	2.5	2.6	2.6	3.0	3.0	3.0
Public Utilities	11.7	11.6	11.7	12.0	12.1	12.1
Total Trade	80.0	79.6	80.1	80.5	79.4	79.5
Wholesale	13.5	13.5	13.5	13.9	13.9	13.8
Retail	66.5	66.1	66.6	66.6	65.5	65.7
General Merchandise & Apparel	13.4	13.0	12.9	14.4	13.5	13.3
Food Stores	9.6	9.7	9.6	9.3	9.2	9.4
Auto Dealers & Service Stations	8.4	8.4	8.4	8.2	8.2	8.3
Eating & Drinking Places	21.5	21.4	22.0	20.9	21.1	21.2
Finance, Insurance & Real Estate	17.9	17.9	18.0	18.1	18.1	18.1
Finance	8.3	8.3	8.2	8.4	8.4	8.4
Service Industries	176.8	176.7	178.2	172.3	173.2	175.2
Hotels, Gaming & Recreation	114.7	114.9	115.9	112.3	113.4	114.4
Personal	5.6	5.5	5.6	5.7	5.6	5.9
Business	18.2	18.0	18.1	17.7	17.5	17.6
Medical & Health	15.7	15.7	15.7	15.3	15.3	15.3
Government	57.3	58.8	59.1	57.4	59.3	59.4
Federal	9.4	9.5	9.5	9.6	9.5	9.5
State & Local	47.9	49.3	49.6	47.8	49.8	49.9
Education - State & Local	19.4	20.8	21.2	19.4	21.3	21.3

2/ Reflects employment by place of work. Does not necessarily coincide with labor force concept. Includes multiple job holders.

p = preliminary

LAS VEGAS LABOR FORCE SUMMARY
(estimates in thousands)

	1983			1982		
	JAN	FEB	MAR p	JAN	FEB	MAR
Civilian Labor Force	272.2	274.7	276.7	261.8	264.5	267.8
Unemployment	33.5	34.0	31.6	25.2	26.4	26.9
Unemployment Rate	12.3%	12.4%	11.4%	9.6%	10.0%	10.0%
Unemp. Rate (Seasonally Adjusted)	11.9%	12.1%	11.7%	9.4%	9.8%	10.5%
Total Employment 1/	238.7	240.7	245.1	236.6	238.1	240.9
Nonagricultural Employment	238.1	240.1	244.4	236.0	237.5	240.2
Agricultural Employment	0.6	0.6	0.7	0.6	0.6	0.7
Persons Involved in Work Stoppages	0.0	0.0	0.0	0.0	0.0	0.0

1/ Adjusted by Census relationships to reflect number of persons by place of residence.

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ESTABLISHMENT BASED INDUSTRIAL EMPLOYMENT 2/

	1983			1982		
	JAN	FEB	MAR p	JAN	FEB	MAR
Total Nonagricultural	227.1	227.2	228.8	225.6	225.8	227.6
Mining	0.4	0.4	0.4	0.5	0.5	0.6
Construction	11.9	11.7	12.0	12.1	11.9	12.4
Manufacturing	6.5	6.6	6.6	6.9	6.9	7.0
Durable Goods	3.3	3.3	3.4	3.9	3.9	4.0
Stone, Clay & Glass Products	0.6	0.6	0.6	0.6	0.6	0.6
Non-Durable Goods	3.2	3.3	3.2	3.0	3.0	3.0
Food Products	0.5	0.5	0.5	0.5	0.5	0.5
Printing & Publishing	1.6	1.6	1.6	1.5	1.5	1.5
Chemicals	0.7	0.7	0.7	0.8	0.8	0.8
Transportation & Public Utilities	13.6	13.5	13.6	13.6	13.7	13.9
Transportation	7.5	7.4	7.6	7.6	7.6	7.8
Railroad	0.7	0.7	0.7	0.7	0.7	0.7
Air	2.0	2.0	2.0	2.4	2.4	2.4
Public Utilities	6.1	6.1	6.0	6.0	6.1	6.1
Total Trade	45.8	45.7	45.9	46.4	45.7	45.7
Wholesale	6.3	6.3	6.3	6.3	6.3	6.3
Retail	39.5	39.4	39.6	40.1	39.4	39.4
General Merchandise & Apparel	7.9	7.6	7.5	8.7	8.1	8.0
Eating & Drinking Places	13.0	13.1	13.3	13.1	13.1	12.9
Finance, Insurance & Real Estate	10.2	10.3	10.4	10.3	10.3	10.4
Finance	4.5	4.5	4.5	4.4	4.4	4.5
Service Industries	111.7	111.4	112.0	108.6	108.8	109.5
Hotels, Gaming & Recreation	73.2	73.2	73.5	71.1	71.4	71.7
Personal	3.4	3.3	3.3	3.4	3.4	3.4
Business	12.5	12.3	12.4	12.4	12.2	12.3
Government	27.0	27.6	27.9	27.2	28.0	28.1
Federal	4.9	4.9	4.9	5.0	5.0	5.0
State & Local	22.1	22.7	23.0	22.2	23.0	23.1
Education - State & Local	9.6	10.1	10.4	9.9	10.6	10.7

2/ Reflects employment by place of work. Does not necessarily coincide with labor force concept. Includes multiple job holders.

p = preliminary

RENO LABOR FORCE SUMMARY
(estimates in thousands)

	1983 JAN	1983 FEB	1983 MAR p	1982 JAN	1982 FEB	1982 MAR
Civilian Labor Force	132.2	133.1	134.6	127.8	129.5	131.5
Unemployment	14.8	14.6	13.7	10.3	10.6	10.8
Unemployment Rate	11.2%	11.0%	10.2%	8.1%	8.2%	8.3%
Unemp. Rate (Seasonally Adjusted)	9.0%	9.3%	9.1%	6.4%	6.9%	7.4%
Total Employment 1/	117.4	118.5	120.9	117.5	118.9	120.7
Nonagricultural Employment	117.0	118.1	120.4	117.1	118.5	120.2
Agricultural Employment	0.4	0.4	0.5	0.4	0.4	0.5
Persons Involved in Work Stoppages	0.0	0.0	0.0	0.0	0.0	0.0

1/ Adjusted by Census relationships to reflect number of persons by place of residence.

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ESTABLISHMENT BASED INDUSTRIAL EMPLOYMENT 2/

	1983 JAN	1983 FEB	1983 MAR p	1982 JAN	1982 FEB	1982 MAR
Total Nonagricultural	110.6	110.7	111.7	111.1	111.7	112.9
Mining	0.6	0.6	0.6	0.6	0.6	0.6
Construction	4.5	4.3	4.5	4.7	4.6	4.7
Manufacturing	7.4	7.4	7.5	8.2	8.1	8.2
Durable Goods	4.8	4.8	4.9	5.6	5.6	5.6
Non-Durable Goods	2.6	2.6	2.6	2.6	2.5	2.6
Transportation & Public Utilities	7.9	7.8	7.8	8.4	8.3	8.3
Transportation	3.7	3.6	3.6	3.8	3.8	3.8
Railroad	0.5	0.5	0.5	0.5	0.5	0.5
Transportation Excl. Railroad	3.2	3.1	3.1	3.3	3.3	3.3
Public Utilities	4.2	4.2	4.2	4.6	4.5	4.5
Total Trade	24.6	24.3	24.3	24.4	24.0	24.0
Wholesale	6.1	6.1	6.2	6.4	6.4	6.4
Retail	18.5	18.2	18.1	18.0	17.6	17.6
General Merchandise & Apparel	4.7	4.5	4.4	4.9	4.6	4.4
Eating & Drinking Places	5.6	5.5	5.6	4.9	5.0	5.0
Finance, Insurance & Real Estate	6.0	5.9	6.0	6.2	6.2	6.2
Service Industries	43.2	43.3	44.0	42.4	42.8	43.8
Hotels, Gaming & Recreation	26.8	27.0	27.6	26.8	27.2	27.7
Personal	1.6	1.6	1.6	1.7	1.7	1.9
Government	16.4	17.1	17.0	16.2	17.1	17.1
Federal	2.7	2.8	2.7	2.7	2.7	2.7
State & Local	13.7	14.3	14.3	13.5	14.4	14.4
Education - State & Local	6.1	6.8	6.8	6.0	6.8	6.8

2/ Reflects employment by place of work. Does not necessarily coincide with labor force concept. Includes multiple job holders.

p = preliminary

AVERAGE HOURS AND EARNINGS IN SELECTED INDUSTRIES IN NEVADA

	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	JAN 1983	FEB 1983	MAR p 1983	JAN 1983	FEB 1983	MAR p 1983	JAN 1983	FEB 1983	MAR p 1983
MINING	508.73	477.90	488.33	42.5	40.5	42.5	11.97	11.80	11.49
CONSTRUCTION	584.78	595.94	584.50	34.5	35.2	35.0	16.95	16.93	16.70
MANUFACTURING	331.76	334.15	340.28	37.7	37.8	37.6	8.80	8.84	9.05
Durable Goods	349.27	352.20	363.83	37.8	38.2	38.5	9.24	9.22	9.45
Stone, Clay & Glass	418.42	401.15	407.34	38.6	39.6	37.2	10.84	10.13	10.95
Primary Metals	548.78	539.20	535.39	40.5	40.0	39.6	13.55	13.48	13.52
Nondurable Goods	301.13	303.11	303.36	37.5	37.1	36.2	8.03	8.17	8.38
Printing & Publishing	301.25	293.70	300.48	37.1	35.6	35.9	8.12	8.25	8.37
PUBLIC UTILITIES	469.58	447.66	460.00	41.3	39.2	40.0	11.37	11.42	11.50
TRADE	255.41	258.62	265.44	33.3	33.5	33.9	7.67	7.72	7.83

AVERAGE HOURS AND EARNINGS IN SELECTED INDUSTIRES IN LAS VEGAS

	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	JAN 1983	FEB 1983	MAR p 1983	JAN 1983	FEB 1983	MAR p 1983	JAN 1983	FEB 1983	MAR p 1983
CONSTRUCTION	606.29	597.10	615.83	34.6	35.0	35.7	17.52	17.06	17.25
MANUFACTURING	416.62	414.75	406.35	38.9	39.5	38.7	10.71	10.50	10.50
Durable Goods	433.17	439.39	427.35	38.3	39.8	38.5	11.31	11.04	11.10
Nondurable Goods	394.02	380.63	378.49	39.8	39.2	39.1	9.90	9.71	9.68
TRANSPORTATION & UTILITIES	391.84	423.10	408.86	39.7	40.8	39.2	9.87	10.37	10.43
WHOLESALE TRADE	324.63	324.32	319.68	37.1	36.4	37.0	8.75	8.91	8.64
RETAIL TRADE	196.55	195.43	198.96	31.1	29.7	30.1	6.32	6.58	6.61

UNEMPLOYMENT INSURANCE (U.I.)

In recent months, there have been some major changes to the UI program resulting from the passage of national legislation. The following are highlights of these changes.

Federal Supplemental Compensation

Congress included as part of Public Law 98-13 "Social Security Amendments of 1983," language that extends the expiration of the nationwide Federal Supplemental Compensation (FSC) program from March 31, 1983 to September 30, 1983. FSC payments are available to claimants who have exhausted all other state and federal jobless benefits.

Under the new extension 8, 10, 12, or 14 weeks of FSC payments will be available depending upon the state's economic situation. In Nevada approximately 5,000 claimants will be eligible for up to 12 weeks of benefits.

The FSC program has been and will continue to be funded from general revenues.

Aid For State U.I. Funds

In another piece of U.I. legislation, $5.3 billion was appropriated from general revenues to help about a dozen states whose jobless funds had run out of money. Because of the supplemental appropriation, benefit checks were paid in these states, although they were delayed somewhat. This marked the first time in the 44 years that unemployment benefits have been paid that checks were delayed due to insufficient funds.

In all, some 26 states have loans outstanding and at least nine more are expected to borrow during this year. Total loans outstanding now exceed $12 billion.

Nevada has a relatively healthy U.I. fund balance, $90 million as of March 31, 1983, and is not expected to have to borrow.

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EMPLOYMENT SECURITY DEPARTMENT
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CARSON CITY, NEVADA 89713-0001

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Nevada Employment Security Department

economic update

RICHARD H. BRYAN
Governor

STANLEY P. JONES
Executive Director

ECONOMIC INDICATORS

Unemployment Rate (Seasonally-Adjusted)

		APR	MAY	JUN
Nevada -	1983	10.2	9.9	9.1
	1982	10.4	10.4	9.6
Las Vegas -	1983	10.4	10.1	9.2
	1982	11.2	11.1	10.4
Reno -	1983	8.7	8.9	8.1
	1982	8.2	8.4	8.3
U.S. -	1983	10.2	10.1	10.0
	1982	9.3	9.4	9.5

Consumer Price Index All Urban Consumers (1967=100)

	APR	MAY	JUN
1983	294.9	296.3	298.1
1982	283.7	286.5	290.1

Gross Gaming Revenues (In Thousands)

	1st Qtr. 1983	1st Qtr. 1982
Nevada	654,375	638,979
Las Vegas	461,469	450,565
Reno	115,828	115,512

Taxable Sales (In Thousands)

	1st Qtr. 1983	1st Qtr. 1982
State	1,491,981	1,540,747
Las Vegas	855,527	860,382
Reno	338,927	368,936

NEVADA ECONOMY SECOND QUARTER 1983

Nevada's seasonally-adjusted unemployment rate dropped eight-tenths of a percent in June from the previous month. Since an all-time high of 11.3 percent in February, the unemployment rate has declined every month since, to now stand at 9.1 percent for June. This development is in contrast to last year's pattern which showed sporadically increasing unemployment. The monthly unemployment rates have now dipped below 1982 levels by an average of about 0.5 percent. This is better than the first quarter rates of 1983 which were running an average of 2 percent higher than 1982. All of these factors indicate that a steady recovery is taking place and should continue into the following quarters.

However, the decline in the unemployment rate is not primarily the result of an expanding labor market; but reflects the continuing drop of the unemployed labor force which reached a peak in February of 60,100 people and has fallen to 45,300 jobless in June. Continued claims for unemployment insurance (those persons receiving checks for unemployment) and initial claims (those persons filing for a new spell of unemployment) have been currently running 15%-20% below last years level.

Despite the steady drop in unemployment, the creation of new jobs has not significantly increased. However, some sectors are showing signs of vitality. The construction industry gained 2,400 jobs during the second quarter, primarily due to

the lower mortgage rates and the warmer seasonal weather which resulted in more residential construction. The trade and service sectors continued to show increases in jobs due to higher consumer spending and low inflationary pressures on prices. The result is that taxable sales in May showed a 5 percent gain over the same month last year. Government employment dropped nearly 2,000 jobs in June to reflect the break in the summer for schools. In spite of a work stoppage caused by a grocery strike in Las Vegas amounting to nearly 4,000 jobs, the number of jobs increased by about 10,000 (or 2.5 percent) during the second quarter. However, this growth is actually far below historical standards.

In addition to Nevada, the surrounding states economies have been posting gains in reducing unemployment. These upturns have added fuel to Nevada's heavily tourist-oriented economy. Judging by these indicators, it appears Nevada is heading for a steady and prolonged period of recovery.

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LAS VEGAS

The Las Vegas labor market continued to rebound from the recently ended recession as unemployment began a declining trend during the second quarter of CY 1983. April unemployment fell to 10.4 percent from the 11.7 percent recorded in March. This was followed by subsequent declines of 10.1 percent in May and 9.2 percent in June. The 9.2 percent June figure represents a much brighter picture than the 12.1 percent peak recorded during February 1983. Nearly 7,000 fewer people were unemployed in June compared to the February high.

Numerous persons were affected by work stoppages during the quarter. Three major unions were involved at one point or another during the April-June period. Teamsters Local 995 and Operating Engineers Local 501 were involved in a labor dispute with the area hotel/casino industry. A settlement was reached on May 31 including all but two area hotel/casinos. In addition, the United Food and Commercial Workers Local 711 was engaged in a strike-lockout at 70 local supermarkets which effected around 3,800 persons.

The number of jobs in the Las Vegas area continued to slowly expand during the April to June period . Establishment-based industrial employment reached a level of 233,600 by June, a 1,000 job gain during the quarter. Over the year ending in June, total industrial employment increased by just over 8,000 jobs. This represents an annual growth of 3.6 percent.

All industries except mining, transportation/communication/public utilities and government reflected job gains during the year. However, only the service industry, specifically hotels/gaming/recreation, exhibited strong job growth. Services as a whole grew by nearly 6 percent during the year and the number of hotel/gaming/recreation jobs grew at an impressive 8 percent in the Las Vegas area. These job numbers would seem to indicate that the tourism industry in the county is on the upswing. This contention is also supported by relatively higher gains in gaming revenues when compared to other areas of the State and improving hotel/motel occupancy rates.

Besides improving unemployment numbers and job gains, other indicators continued to reflect the areas improving economic health. Permits issued for the construction of residential units continued to climb and in some areas of the county, construction permit valuation was at a 3 year high. The levels of taxable sales also continued to improve, increasing over the year by 3.6 percent in April and 5.8 percent in May. These gains were more than expected during this period. Because of the continued positive signs in the local area, most sectors of the economy such as manufacturing and trade should continue to experience improvement and associated job opportunities will become available for Las Vegas job seekers. Furthermore, if interest rates do not rise to prohibitive levels, construction should continue to exhibit job gains as residential home demand remains strong. On the whole, the immediate economic future for Las Vegas looks brighter.

RENO

The seasonally-adjusted unemployment rate for the Reno metropolitan area has shown significant improvement during the second quarter of 1983. The level of unemployment has fallen from a record-high of 9.3 percent and 14,600 jobless in February to 8.1 percent and 10,100 for June 1983. This month's rate reflects three monthly declines in joblessness since February, excluding a slight increase between April and May and represents the lowest rate in the past 15 months. The number of unemployed has declined by 3,600 between March and June, while the number of individuals in the labor force has remained relatively unchanged. Unemployment for June 1983 was slightly below the year ago period and currently remains a full percentage point or more below that of Nevada, Las Vegas, and the United States.

Establishment-based industrial employment in the Reno area showed moderate growth during the second quarter of 1983. However, those job gains have been fewer than expected when seasonal factors are considered. In spite of a major layoff at a large hospital, approximately 1,700 jobs were added to payrolls of area employers for this period. Employment increases in the hotel/gaming/recreation sector of the service industry have not met expectations, as many are operating with fewer workers than in the past. Gains in the construction and trade industries have met anticipated levels while government has consistently been below expectations.

Tourist traffic to the Truckee Meadows has continued to increase throughout the second quarter of 1983 when compared to a year ago. Vehicle and aircraft traffic have shown increases while hotel/motel occupancy rates have also increased over comparable 1982 periods. Tourism in the quarter was bolstered by a very busy three-day Memorial Day weekend as well as the successful week-long Reno Rodeo in June.

These indicators portend an improving economy and expectations are for moderate increases in second quarter gross gaming revenues when compared to the same quarter in 1982. Statistics for the first quarter of 1983 were only fractionally larger than the year ago quarter. Similarly, preliminary gross taxable sales revenues for the second quarter 1983 are trending upward. Taxable sales data for April was down fractionally over the year ago period while a gain of 1.5 percent was reported for May 1983 when compared to May 1982. First quarter 1983 revenues showed a disappointing decline of 8.1 percent from one year ago.

Most analysts concur that the national economy will continue to strengthen and gain momentum throughout the year and will provide impetus for a sustained recovery for Nevada and Washoe County. Decreases in the number of area unemployed are expected to continue, due in part to fewer individuals filing claims. Also, no significant job layoffs are anticipated in the near future. Jobs in the hotels/gaming/recreation sector of the service industry, as well as the construction industry and the retail trade sector are expected to show impressive gains as the area enters its prime business months.

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The staff of economists working for the Employment Security Research (ESR) section are available to answer particulars about the State and area economies.

Dan Culbert or Ken Sceirine - responsible for labor force estimates, industrial employment data, hours and earnings, and the overall make up of this publication.

Bob Butler or Tom Hills - responsible for data relating to the unemployment insurance program.

Gary Lungstrum or Zina Turney - responsible for data relating to the Labor Market Information program, e.g. affirmative action, occupational surveys and projections and wage surveys.

Bob Murdock - Las Vegas labor market analyst.

George Anastassatos - Reno and small county labor market analyst.

Ted Zuend - special projects.

All of these persons are guided by the supervision of Jim Hanna, the Chief of ESR.

For direct contact with any of these economists call (702) 885-4550, or instate toll-free 1-800-992-0900, extension 4550.

The 1981-1982 Recession
by
Ted Zuend, Labor Economist

According to the National Bureau of Economic Research, this nation's eighth recession since World War II ended in November, 1982. With the trough now confirmed, we can compare this recession with prior ones to analyze its relative severity. The following table charts several key indicators of the eight postwar recessions.

Eight Recessions
1948-1982

Recession Period	Length in Months	Drop in Industrial Production	Peak Unemployment Rate %	Change in Unemployment Rate	Maximum Decline in Real GNP
November 1948 October 1949	11	9.9%	7.9%	3.9%	1.4%
July 1953 May 1954	10	10.0%	6.1%	3.6%	3.3%
August 1957 April 1958	8	14.3%	7.5%	3.8%	3.2%
April 1960 February 1961	10	7.2%	7.1%	2.3%	1.2%
December 1969 November 1970	11	8.1%	6.1%	2.7%	1.1%
November 1973 March 1975	16	14.7%	9.0%	4.4%	5.8%
January 1980 July 1980	6	8.7%	7.8%	2.1%	2.6%
July 1981 November 1982*	16	12.3%	10.8%	3.6%	2.6%
Averages	11	10.7%	7.8%	3.3%	2.7%

*Figures subject to revision.

There seems to be a consensus that the 1981-1982 slump was "the worst since the Great Depression." But was it? Statistically, the numbers don't support that claim. Though worse than average, the numbers for the 1981-1982 recession were not as bad as 1973-75 and, possibly, 1957-58. Statistics can mislead, however. The claim of "worst" rests on two facts: the double digit unemployment rates and the relatively weak position of the economy prior to the onset of recession. Both are true, but need to be analyzed in more detail.

The real meaning of the unemployment rate lies in the extent of hardship that it implies. Clearly, the 10.8 percent rate of December 1982 was worse than the 7.2 percent rate of July 1981. But can we conclude with certainty that the December level was worse than the 7.5 percent rate of July 1958 or the 9.0 percent rate of May 1975? In my opinion, the answer is no.

Conditions have changed considerably since prior periods. Since the fifties, unemployment and related benefits have been expanded and improved. While cushioning the blows of unemployment, they also tend to increase its duration. Because of economic necessity, persons without benefits are often forced to accept work unsuited to their skills. With benefits, they can be more selective. Other programs designed to encourage the labor force participation of less-qualified persons can have the same effect--the unemployment rate is raised.

The rapid increase in female labor force participation in recent years has had an even more profound effect on rates. Competition in the labor market has swelled. And the economy has had to generate many more jobs than before to keep unemployment rates steady. On the positive side, the increase of women in the labor force has reduced the number of families without someone employed. To put the impact of women workers in perspective, the percentage of the working age population who held jobs in December 1982 was as high as during a peak of economic activity in late-1973 and much higher than in the fifties.

The perceived weakness of the economy prior to the July 1981 downturn was more due to high inflation than poor labor market conditions. Though the unemployment rate was 7.2 percent, a record number of Americans were working. The inflation situation grew out of the extended recovery from the 1973-75 recession. At 58 months, it was the longest peacetime recovery in United States history. The back-to-back recessions that followed do not seem so unusual when this fact is known. The last recession considerably reduced inflation, helping many people at the same time it was so devastating to others.

There is really no stock answer to the question whether 1981-82 was the worst recession since the Depression. For the workers and businesses who bore the brunt of the downturn, it probably was. For many others, it may even have been beneficial. The recession seems worse than the postwar average, but hardly atypical. It bore absolutely no resemblance to the business slump that occurred between 1929 and 1933. Any suggestion to the contrary is nothing more than political hyperbole.

Recessions are a recurring fact of a market economy. There have been 30 in the last 130 years and eight in the last 35 years. Efforts should be geared to limiting not only the damage of the recessions, but of the recoveries as well.

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Unemployment Insurance Legislation - 1983

by

Tom Hills, Labor Economist

Significant Legislation passed by the 1983 Legislature included many changes which here introduced on behalf of the Agency. Among these was the establishment of a child-support intercept program, mandated by Federal law, which enables the Department to notify enforcement agencies and withhold child support obligations from UI claimants who owe payments.

Other changes provided for the exclusion from UI coverage of services by direct sellers and student interns, and for the disqualification of nonprofessional employees of colleges and universities during holidays or vacation recess, if there is reasonable assurance of subsequent re-employment with the institution. Ret-

roactive payment of UI benefits to such employees not offered employment is also provided. Retroactive benefits are only allowed for nonprofessional employees of any educational institution.

Effective October 1, 1983, the benefit computation formula will round the claimants benefit entitlement down to the nearest lower dollar rather than up as has been the case. The rounding down provision will also apply to the calculation of the maximum weekly benefit amount.

Presently, the Nevada Employment Security Department employs a tax rate schedule with 12 classes. Employers with the most favorable employment experience pay the minimum rate of 0.3 percent on taxable wages. Employers with the least favorable experience, i.e., those whose reserve accounts reflect more unemployment benefit charges than contributions, pay the maximum rate which is currently 3.6 percent. Legislation passed this year, but effective January 1, 1985, will expand the schedule to 18 classes and increase the maximum tax rate to 5.4 percent. This law change however, also calls for the removal of the 0.5 percent solvency assessment imposed on all employers when the UI Trust Fund fails to meet the solvency test. In all, these changes should provide for a more equitable contribution schedule and accelerated experience rating.

As these changes were, by and large, required by Federal law, little controversy was involved. This was not the case with bills submitted by casino employee groups attempting to have tip income included as wages for unemployment insurance purposes. A bill was passed in the waning hours of the session which will allow tip earners to include a limited amount of tips. Effective January 1, 1984, workers who make less than $10,200 per year may include tip income with wage figures to that level for purposes of benefit and employer contribution calculations. Although employers will pay taxes on tips and wages up to the $10,200 limit, they must still pay taxes on wages up to the taxable wage base, which will be $10,700 in 1984.

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New Labor Market Information Publications

by

George Anastassatos, Labor Economist

The Employment Security Research section of the Employment Security Department has published its Nevada Affirmative Action for 1983. This document is designed to furnish both private employers and governmental agencies with needed data to comply with their affirmative action reports. Statistics are provided for Nevada and all 17 counties.

Two basic tables are presented. Population information and labor force data are provided by sex and race/ethnic status. Also included in this document, for these same characteristics, is a table that shows employed persons in Nevada, Las Vegas, and Reno for 1980 by occupational groups.

Demographics of the insured unemployed individuals during 1982 by Employment Service local office areas are also presented for selected occupational groupings in the appendix. This information represents the most recent occupations in which these individuals were last employed.

In addition, the 1982 Employment and Payrolls publication will be available shortly. This booklet details information covered by the unemployment insurance program. Employment and payroll data are shown for each county by industrial activity.

Also available soon are the 1982 Establishment-based Industrial Employment Statistics for the fiften small counties in Nevada. Previously published were the same series for Nevada, Las Vegas, and Reno, as well as the labor Force statistics for the State and all the counties.

To receive a copy of any of these publications, contact the Research Section of the Employment Security Department, 500 East Third Street, Carson City, Nevada 89713, telephone (702) 885-4550, or Toll Free 1-800-992-0900, extension 4550 (within Nevada only).

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Per Capita Personal Income
by
George Anastassatos, Labor Economist

The Bureau of Economic Analysis of the U.S. Department of Commerce recently released 1981 statistics for total personal income and total per capita personal income for all counties and standard metropolitan statistical areas (SMSAs). Of the country's eight regional areas, the Far West ranked the highest in per capita income with a total of $11,704, almost 12 percent better than the national average. The Midwest regional area followed with $11,301, exceeding the nation's average by more than 7 percent. State per capita personal income ranged from a high of $13,763 in Alaska and $12,816 in Connecticut to a low of $7,408 in Mississippi. The United States average was $10,495, compared with $9,483 in 1980.

In the Far West, California led the four state region in per capita personal income, while ranking fourth highest in the nation. Nevada trailed California slightly in the region, and ranked sixth overall in the country. The remaining two states in the Far West region were Washington and Oregon with a ranking of 10 and 29, respectively.

The table presented below provides the latest per capita personal income for selected areas for 1981, as well as data for 1979 and 1980. In 1981, the highest per capita personal income within Nevada was reported for Washoe, followed by Douglas and Carson City, Lincoln and Pershing counties experienced the lowest levels.

Selected Areas	1979	1980	Percent Change	1981	Percent Change
United States	$ 8,657	$ 9,483	9.5%	$10,495	10.7%
Far West Region	9,695	10,670	10.1	11,704	9.7
California	9,859	10,895	10.5	11,968	9.8
NEVADA	9,789	10,674	9.0	11,582	8.5
Oregon	8,664	9,275	7.1	10,009	7.9
Washington	9,391	10,262	9.3	11,274	9.9
Nevada Counties					
Churchill	7,953	8,595	8.1	9,133	6.3
Clark	9,376	10,298	9.8	11,228	9.0
Douglas	11,035	11,655	5.6	12,424	6.6
Elko	9,467	10,377	9.6	11,558	11.4
Esmeralda	7,465	8,360	12.0	9,528	14.0
Eureka	9,897	10,356	4.6	10,390	0.3
Humboldt	8,055	8,832	9.6	9,362	6.0
Lander	8,896	9,786	10.0	10,099	3.2
Lincoln	6,090	7,420	21.8	8,292	11.8
Lyon	8,223	8,721	6.1	9,441	8.3
Mineral	7,487	8,495	13.5	9,633	13.4
Nye	7,487	8,036	7.3	8,650	7.6
Pershing	7,884	8,461	7.3	8,530	0.8
Storey	7,457	7,777	4.3	9,077	16.7
Washoe	11,450	12,311	7.5	13,255	7.7
White Pine	7,624	9,314	22.2	9,831	5.6
Carson City	9,499	10,522	10.8	11,762	11.8

NOTE: Per capita personal income is computed by dividing the total personal income by mid-year population estimates. Total personal income is the current income received by residents of an area from all sources. It is measured before deduction of taxes but after deduction of social insurance programs.

CHANGES IN THE CONSUMER PRICE INDEX
Taken from the Survey of
Current Business

Beginning with data for January, 1983, the Consumer Price Index for All Urban Consumers (CPI-U) reflects changes in the methodology used to compute the homeownership component. A rental equivalence measure is now used. Historical data for the CPI-U based on the new methodology will not be available. However, the change has been made in such a way that the indexes based on the new and old methodologies are equal for December 1982 (the so-called link month), and calculations based on the old method will be available for a 6-month overlap period (January through June 1983). The Consumer Price Index for Urban Wage Earners and Clerical Woerkers (CPI-W) will continue to be calculated by the old method through 1984. Beginning with data for January 1985, it will also reflect a rental equivalence measure of homeownership.

Under the old method of computation, the CPI homeownership component consisted of five subcomponents: the net price of homes purchased, the amount of mortgage interest expected to be paid over one-half the stated life of a home mortgage, property taxes, property insurance, and home maintenance and repairs. As such, it reflected investment elements, largely related to the purchase price and mortgage interest subcomponents, as well as consumption elements. The large weight of the homeownership component in the CPI and the sensitivity of the all-items index to the procedures used in its calculation focused attention on it.

A change to a flow-of-services-consumed treatment for homeownership has been under discussion for some time. Because such a treatment would abstract from investment elements of homeownership, it would be consistent with the design of the CPI as a measue of change in the prices of the market basket of services consumed in the base period. More recently, problems in obtaining reliable data for calculating the home price and mortgage interest cost subcomponents have highlighted the need for change. For home prices the prices used in the CPI pertained only to purchases financed with FHA-insured mortgages. These prices represented a very small, specialized, and declining segment of the housing market, and thus were becoming less representative. For mortgage interest, new types of mortgages--involving variable rates, shorter financing terms, and other special arrangements--had become increasingly prominent, making the standard, long-term, fixed-rate mortgage used in the CPI increasingly unrepresentative. Further, because of high interest rates and difficulties faced by home buyers in securing mortgages from financial institutions, many homeowners were offering to provide financing at below commercial rates in order to sell their homes; these arrangements were not reflected in the CPI.

Under the new method of computation, the CPI-U homeownership component has been replaced with a homeowners' cost component to reflect costs associated with homeowners' consumption of shelter service. (The new rental equivalence CPI-U is a descendant, with important refinements, of the CPI-U-XI, one of the sperimental measues produced since 1980 and now discontinued.) In the new CPI-U, the homeowners' cost consists of owners' eqivalent rent and household insurance. Owners' equivalent rent, the primary rental equivalence item, is a measure of the rental income owners forego when they choose to occupy their homes instead of renting them out. It replaces home purchase, home financing, and property tax of the old method, plus the portions of the property insurance, maintenance and repairs, and household appliances that are implicitly included in rents. The household insurance subcomponent is a measure of the portion of property insurance not implicitly included in rents--insurance for liability and house contents. Except for the portions now included in owners' equivalent rent, maintenance and repairs (now excluding capital improvement items) and household appliances are listed separately. As a result of the change in methodology, the overall weight of homeownership is the CPI-U declined, from about 26 to 14 percent.

Transfer Payments in Washoe and Clark Counties

by

George Anastassatos, Labor Economist

The Bureau of Economic Analysis of the U.S. Department of Commerce has recently released 1981 total personal income information for all states and counties in the country. One of the components of total personal income that has received a lot of attention is transfer payments. Transfer payments are those financial disbursements made by governmental entities to individuals and others for a variety of reasons and purposes. These data are shown in the tables below. The tables present transfer payments statistics by major sources for residents of Washoe (Table 1) and Clark (Table 2) counties during the two most recent time periods.

Table 1
Transfer Payments by Major Source
Washoe County
(in millions)

	1980	1981	Percent Change
Total Transfer Payments Received in Nevada	$1,021.8	$1,175.9	+15.0%
Total Transfer Payments rec'd in Washoe County	252.6	289.1	+14.4
Gov't Payments to Indiv. Civilians	196.7	227.7	+15.8
Retirement, Disability & Health Ins. Pay	176.7	204.6	+15.8
Unemp. Ins. Payments Incl. Veterans	11.5	13.7	+19.1
Educational & Training Assistance Payments	1.5	1.7	+13.3
Income Maintenance Payments	6.2	7.0	+12.9
Other Transfer Payments to Indiv. Civilians	0.8	0.7	-12.5
Gov't Pay to Retired Mil., Vets., & Depend.	37.6	42.0	+11.7
Pensions, Retirement, Terminal Leave & Mustering Out Pay	33.9	38.5	+13.6
Education Pay to Veterans, Depend., & Survivors	2.5	2.5	0.0
Payments to Nonprofit Institutions	7.3	7.6	+ 4.1
Business Transfer Payments	11.0	11.7	+ 6.4

Table 2
Transfer Payments by Major Source
Clark County
(in millions)

	1980	1981	Percent Change
Total Transfer Payments Received in Nevada	$1,021.8	$1,175.9	+15.0%
Total Transfer Payments rec'd in Clark County	580.9	670.6	+15.4
Gov't Payments to Indiv. Civilians	445.4	520.7	+14.6
Retirement, Disability & Health Ins. Pay	374.9	437.0	+16.6
Unemp. Ins. Payments Incl. Veterans	34.3	41.2	+20.1
Educational & Training Assistance Payments	3.3	3.8	+15.2
Income Maintenance Payments	31.8	37.9	+19.2
Other Transfer Payments to Indiv. Civilians	1.2	0.8	-33.3
Gov't Pay to Retired Mil., Vets., & Depend.	94.9	107.0	+12.8
Pensions, Retirement, Terminal Leave & Mustering Out Pay	87.7	100.2	+14.3
Education Pay to Veterans, Depend., & Survivors	4.7	4.7	0.0
Payments to Nonprofit Instituions	17.1	17.8	+ 4.1
Business Transfer Payments	23.5	25.1	+ 6.8

Over the longer term, total transfer payments received in Nevada surged by more than 107.0 percent from $567.6 million in 1976 to $1,175.9 million in 1981. Similarly, total transfer payments in Washoe and Clark counties during the same period jumped 99.0 and 114.2 percent, respectively. In 1981, county payments totalled $289.1 million and $670.6 million for the two areas. Payments on a per capita basis came to figures of $1,434 for Washoe County and a slightly lower $1,368 for Clark County. Further, approximately $1 of every $10 of total personal income was comprised by these government disbusements for both areas.

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Request for Labor Market Information 1983 Wage Survey

The Employment Security Research section of the Employment Security Department, is conducting its annual Nevada Wage Survey. Survey forms have been mailed to a number of employers throughout the State. This survey, which is designed to provide average salary data for selected occupations, is a very integral portion of the agency's labor market information program. In its published form, wage information is provided to both the job seeker and the employer alike.

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1983 Occupational Employment Survey

This Agency, in cooperation with the Department of Labor, is currently conducting an occupational employment survey. This year's survey will include those employers who are classified in the manufacturing industry and the hospital sector of the service industry. This survey, which is repeated every three years, identifies the number of people working in various occupational groups by industrial classification. In the intervening years other industrial sectors are surveyed. Information obtained from each survey is useful in determining future occupational growth and job openings in Nevada, Washoe and Clark counties, as well as the Balance of State area.

These occupational data are used by many public agencies and private employers as well as researchers, planners, employees, and students seeking various occupational careers. Many businesses will be contacted either by mail or personally by a representative from the Employment Security Research section. The cooperation of those firms contacted will be greatly appreciated.

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QUOTE FOR THE QUARTER

The process [of inflation] engages all the hidden forces of economic law on the side of destruction, and does it in a manner that not one man in a million is able to diagnose.

JOHN MAYNARD KEYNES

N E V A D A L A B O R F O R C E S U M M A R Y

(ESTIMATES IN THOUSANDS)

	1983			1982		
	APR	MAY	JUN P	APR	MAY	JUN
CIVILIAN LABOR FORCE	496.8	502.2	502.0	480.7	486.0	489.4
UNEMPLOYMENT	49.6	47.9	45.3	47.9	47.5	48.6
UNEMPLOYMENT RATE	10.0%	9.5%	9.0%	10.0%	9.8%	9.9%
UNEMP. RATE (SEASONALLY ADJUSTED)	10.2%	9.9%	9.1%	10.4%	10.4%	9.6%
TOTAL EMPLOYMENT 1/	447.2	454.3	456.7	432.9	438.6	440.8
NONAGRICULTURAL EMPLOYMENT	442.1	448.9	450.5	427.8	433.2	434.6
AGRICULTURAL EMPLOYMENT	5.1	5.4	6.2	5.0	5.3	6.2
PERSONS INVOLVED IN WORK STOPPAGES	0.0	4.2	4.2	0.2	0.2	0.0

1/ ADJUSTED BY CENSUS RELATIONSHIPS TO REFLECT NUMBER OF PERSONS BY PLACE OF RESIDENCE.

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ESTABLISHMENT BASED INDUSTRIAL EMPLOYMENT 2/

	1983			1982		
	APR	MAY	JUN P	APR	MAY	JUN
TOTAL NONAGRICULTURAL	409.8	412.4	414.6	403.0	406.1	407.3
MINING	6.0	6.0	6.2	7.0	7.0	6.9
METAL MINING	3.8	3.8	3.9	4.4	4.3	4.3
CONSTRUCTION	20.1	21.1	22.0	20.2	20.9	21.6
MANUFACTURING	18.4	18.5	18.7	19.1	19.0	19.0
DURABLE GOODS	11.3	11.4	11.5	12.6	12.4	12.3
STONE, CLAY, & GLASS PRODUCTS	1.3	1.4	1.4	1.3	1.4	1.4
PRIMARY METAL INDUSTRIES	1.2	1.2	1.1	1.6	1.4	1.4
NON-DURABLE GOODS	7.1	7.1	7.2	6.5	6.6	6.7
FOOD PRODUCTS	1.4	1.4	1.4	1.4	1.4	1.5
PRINTING & PUBLISHING	3.3	3.3	3.4	3.0	3.0	3.0
CHEMICALS	0.8	0.8	0.8	0.8	0.8	0.8
TRANSPORTATION & PUBLIC UTILITIES	23.9	23.8	24.0	25.0	25.0	25.0
TRANSPORTATION	12.3	12.4	12.5	12.9	13.0	13.0
RAILROAD	1.8	1.8	1.8	1.8	1.8	1.8
TRUCKING & WAREHOUSE	3.3	3.4	3.5	3.3	3.3	3.4
AIR	2.6	2.7	2.6	3.0	3.0	2.9
PUBLIC UTILITIES	11.6	11.4	11.5	12.1	12.0	12.0
TOTAL TRADE	81.3	82.5	83.4	79.7	80.5	81.1
WHOLESALE	13.8	13.8	13.9	13.9	13.9	13.9
RETAIL	67.5	68.7	69.5	65.8	66.6	67.2
GENERAL MERCHANDISE & APPAREL	13.2	13.1	13.1	13.0	13.0	13.1
FOOD STORES	9.6	10.1	10.2	9.4	9.6	9.6
AUTO DEALERS & SERVICE STATIONS	8.7	8.8	8.9	8.2	8.3	8.5
EATING & DRINKING PLACES	22.3	22.9	23.5	21.7	22.1	22.4
FINANCE, INSURANCE & REAL ESTATE	18.1	18.2	18.2	18.1	18.1	18.1
FINANCE	8.3	8.2	8.2	8.4	8.3	8.3
SERVICE INDUSTRIES	183.0	183.1	184.7	175.1	176.4	177.2
HOTELS, GAMING & RECREATION	121.2	121.7	122.9	115.1	115.8	116.5
PERSONAL	5.6	5.6	5.6	5.8	5.5	5.4
BUSINESS	18.0	18.1	18.2	17.0	17.6	17.2
MEDICAL & HEALTH	15.5	15.0	15.1	15.3	15.3	15.6
GOVERNMENT	59.0	59.2	57.4	58.8	59.2	58.4
FEDERAL	9.5	9.7	9.8	9.4	9.5	9.8
STATE & LOCAL	49.5	49.5	47.6	49.4	49.7	48.6
EDUCATION - STATE & LOCAL	21.0	21.2	19.1	21.1	21.2	19.2

2/ REFLECTS EMPLOYMENT BY PLACE OF WORK. DOES NOT NECESSARY COINCIDE WITH LABOR FORCE CONCEPT. INCLUDES MULTIPLE JOB HOLDERS.
P = PRELIMINARY

L A S V E G A S L A B O R F O R C E S U M M A R Y

(ESTIMATES IN THOUSANDS)

	1983			1982		
	APR	MAY	JUN P	APR	MAY	JUN
CIVILIAN LABOR FORCE	278.6	283.1	282.4	268.6	270.6	271.3
UNEMPLOYMENT	28.3	27.8	27.0	28.7	29.1	30.0
UNEMPLOYMENT RATE	10.2%	9.8%	9.6%	10.7%	10.7%	11.1%
UNEMP. RATE (SEASONALLY ADJUSTED)	10.4%	10.1%	9.2%	11.2%	11.1%	10.4%
TOTAL EMPLOYMENT 1/	250.3	255.2	255.4	239.9	241.6	241.3
NONAGRICULTURAL EMPLOYMENT	249.4	254.3	254.3	239.0	240.7	240.2
AGRICULTURAL EMPLOYMENT	0.9	0.9	1.1	0.9	0.9	1.1
PERSONS INVOLVED IN WORK STOPPAGES	0.0	4.2	4.2	0.2	0.2	0.0

1/ ADJUSTED BY CENSUS RELATIONSHIPS TO REFLECT NUMBER OF PERSONS BY PLACE OF RESIDENCE.

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ESTABLISHMENT BASED INDUSTRIAL EMPLOYMENT 2/

	1983			1982		
	APR	MAY	JUN P	APR	MAY	JUN
TOTAL NONAGRICULTURAL	232.6	233.3	233.6	225.4	225.9	225.4
MINING	0.4	0.4	0.4	0.6	0.6	0.5
METAL MINING	0.1	0.1	0.1	0.1	0.1	0.1
CONSTRUCTION	12.3	12.7	13.1	12.2	12.3	12.5
MANUFACTURING	6.7	6.8	6.9	6.7	6.6	6.6
DURABLE GOODS	3.4	3.4	3.5	3.8	3.7	3.6
STONE, CLAY, & GLASS PRODUCTS	0.6	0.7	0.6	0.6	0.6	0.6
NON-DURABLE GOODS	3.3	3.4	3.4	2.9	2.9	3.0
FOOD PRODUCTS	0.5	0.5	0.5	0.5	0.5	0.5
PRINTING & PUBLISHING	1.7	1.7	1.7	1.5	1.5	1.5
CHEMICALS	0.7	0.7	0.7	0.8	0.8	0.8
TRANSPORTATION & PUBLIC UTILITIES	13.5	13.4	13.5	13.9	13.9	13.9
TRANSPORTATION	7.4	7.5	7.5	7.8	7.8	7.8
RAILROAD	0.7	0.7	0.7	0.7	0.7	0.7
AIR	2.1	2.1	2.1	2.4	2.4	2.4
PUBLIC UTILITIES	6.1	5.9	6.0	6.1	6.1	6.1
TOTAL TRADE	46.5	47.2	47.4	45.6	45.9	45.9
WHOLESALE	6.5	6.5	6.5	6.4	6.4	6.5
RETAIL	40.0	40.7	40.9	39.2	39.5	39.4
GENERAL MERCHANDISE & APPAREL	7.8	7.8	7.7	7.8	7.7	7.8
EATING & DRINKING PLACES	13.3	13.6	13.8	13.1	13.2	13.2
FINANCE, INSURANCE & REAL ESTATE	10.4	10.4	10.5	10.3	10.2	10.2
FINANCE	4.6	4.5	4.5	4.4	4.4	4.4
SERVICE INDUSTRIES	115.0	114.5	114.6	108.1	108.4	108.2
HOTELS, GAMING & RECREATION	76.9	76.6	76.7	71.3	71.0	71.0
PERSONAL	3.4	3.3	3.3	3.3	3.3	3.2
BUSINESS	12.2	12.2	12.2	11.4	11.9	11.5
GOVERNMENT	27.8	27.9	27.2	28.0	28.0	27.7
FEDERAL	4.9	5.0	5.0	4.9	4.9	5.0
STATE & LOCAL	22.9	22.9	22.2	23.1	23.1	22.7
EDUCATION - STATE & LOCAL	10.3	10.4	9.4	10.6	10.5	9.7

2/ REFLECTS EMPLOYMENT BY PLACE OF WORK. DOES NOT NECESSARY COINCIDE WITH LABOR FORCE CONCEPT. INCLUDES MULTIPLE JOB HOLDERS.
P = PRELIMINARY

RENO LABOR FORCE SUMMARY

(ESTIMATES IN THOUSANDS)

	1983			1982		
	APR	MAY	JUN P	APR	MAY	JUN
CIVILIAN LABOR FORCE	135.3	136.0	135.3	131.8	133.2	133.8
UNEMPLOYMENT	11.8	11.4	10.1	10.6	10.3	10.3
UNEMPLOYMENT RATE	8.8%	8.4%	7.5%	8.1%	7.7%	7.7%
UNEMP. RATE (SEASONALLY ADJUSTED)	8.7%	8.9%	8.1%	8.2%	8.4%	8.3%
TOTAL EMPLOYMENT 1/	123.5	124.6	125.2	121.1	122.9	123.5
NONAGRICULTURAL EMPLOYMENT	122.9	124.0	124.5	120.6	122.3	122.8
AGRICULTURAL EMPLOYMENT	0.6	0.6	0.7	0.6	0.6	0.7
PERSONS INVOLVED IN WORK STOPPAGES	0.0	0.0	0.0	0.0	0.0	0.0

1/ ADJUSTED BY CENSUS RELATIONSHIPS TO REFLECT NUMBER OF PERSONS BY PLACE OF RESIDENCE.

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ESTABLISHMENT BASED INDUSTRIAL EMPLOYMENT 2/

	1983			1982		
	APR	MAY	JUN P	APR	MAY	JUN
TOTAL NONAGRICULTURAL	113.6	114.7	115.3	112.9	113.9	114.2
MINING	0.6	0.6	0.7	0.7	0.7	0.6
CONSTRUCTION	4.8	5.4	5.6	5.0	5.4	5.7
MANUFACTURING	7.6	7.6	7.7	7.9	7.9	7.9
DURABLE GOODS	5.0	5.0	5.1	5.3	5.4	5.4
NON-DURABLE GOODS	2.6	2.6	2.6	2.6	2.5	2.5
TRANSPORTATION & PUBLIC UTILITIES	7.8	7.8	7.8	8.3	8.3	8.2
TRANSPORTATION	3.7	3.7	3.7	3.8	3.8	3.8
RAILROAD	0.5	0.5	0.5	0.5	0.5	0.5
TRANSPORTATION EXCL. RAILROAD	3.2	3.2	3.2	3.3	3.3	3.3
PUBLIC UTILITIES	4.1	4.1	4.1	4.5	4.5	4.4
TOTAL TRADE	24.9	25.0	25.4	24.1	24.3	24.6
WHOLESALE	6.3	6.2	6.2	6.3	6.2	6.2
RETAIL	18.6	18.8	19.2	17.8	18.1	18.4
GENERAL MERCHANDISE & APPAREL	4.5	4.4	4.5	4.5	4.4	4.5
EATING & DRINKING PLACES	5.8	6.0	6.2	5.3	5.4	5.6
FINANCE, INSURANCE & REAL ESTATE	6.1	6.1	6.1	6.2	6.2	6.2
SERVICE INDUSTRIES	44.9	45.3	45.8	44.1	44.3	44.6
HOTELS, GAMING & RECREATION	28.6	29.3	29.6	27.8	28.2	28.3
PERSONAL	1.6	1.6	1.6	1.9	1.6	1.6
GOVERNMENT	16.9	16.9	16.2	16.6	16.8	16.4
FEDERAL	2.8	2.8	2.8	2.6	2.6	2.7
STATE & LOCAL	14.1	14.1	13.4	14.0	14.2	13.7
EDUCATION - STATE & LOCAL	6.8	6.9	6.1	6.7	6.8	6.0

2/ REFLECTS EMPLOYMENT BY PLACE OF WORK. DOES NOT NECESSARY COINCIDE WITH LABOR FORCE CONCEPT. INCLUDES MULTIPLE JOB HOLDERS.
P = PRELIMINARY

AVERAGE HOURS AND EARNINGS IN SELECTED INDUSTRIES IN NEVADA

	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	APR 1983	MAY 1983	JUN p 1983	APR 1983	MAY 1983	JUN p 1983	APR 1983	MAY 1983	JUN p 1983
MINING	504.05	509.58	519.93	42.5	42.5	43.4	11.86	11.99	11.98
CONSTRUCTION	600.03	586.17	619.38	35.4	35.1	36.2	16.95	16.70	17.11
MANUFACTURING	351.66	346.09	341.33	38.9	38.2	37.8	9.04	9.06	9.03
Durable Goods	372.72	365.75	359.08	39.4	38.5	38.2	9.46	9.50	9.40
Stone, Clay & Glass	421.90	414.34	401.42	38.6	38.4	37.1	10.93	10.79	10.82
Primary Metals	626.93	562.37	530.53	46.2	39.8	38.5	13.57	14.13	13.78
Nondurable Goods	312.98	312.16	308.85	37.8	37.7	36.9	8.28	8.28	8.37
Printing & Publishing	303.48	306.64	298.42	37.1	36.9	35.4	8.18	8.31	8.43
PUBLIC UTILITIES	460.18	465.20	460.40	39.5	40.0	40.0	11.65	11.63	11.51
TRADE	266.45	256.95	270.73	33.9	33.5	34.4	7.86	7.67	7.87

AVERAGE HOURS AND EARNINGS IN SELECTED INDUSTRIES IN LAS VEGAS

	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	MAR 1983	APR 1983	MAY 1983	MAR 1983	AR 1983	MAY 1983	MAR 1983	APR 1983	MAY 1983
CONSTRUCTION	612.73	610.81	588.45	35.5	36.1	35.3	17.26	16.92	16.67
MANUFACTURING	408.49	438.34	411.65	38.5	40.7	38.4	10.61	10.77	10.72
Durable Goods	429.78	476.10	432.80	38.0	41.4	37.7	11.31	11.50	11.48
Nondurable Goods	379.64	385.09	380.42	39.3	39.7	39.3	9.66	9.70	9.68
TRANSPORTATION & UTILITIES	421.45	426.60	428.00	40.1	39.5	40.0	10.51	10.80	10.70
WHOLESALE TRADE	343.09	327.87	327.96	39.3	37.6	37.1	8.73	8.72	8.84
RETAIL TRADE	200.78	204.95	191. 82	30.7	31.1	30.4	6.54	6.59	6.31

Nevada Employment Security Department

Job Services at 50 --- The Past and the Future

Stan Jones, Executive Director

Recently, (June 5-11) the Nevada Employment Security Department celebrated the 50th Anniversary of the Wagner-Peyser Act. On June 6, 1933 President Franklin D. Roosevelt signed the Act into law creating the National Employment Services.

Governor Richard Bryan issued a proclamation in which he proclaimed the week Wagner-Peyser Act 50th Anniversary recognition week in Nevada.

Section I of the Wagner-Peyser Act specifically prescribed "In order to promote the establishment and maintenance of a National system of public employment offices there is hereby created in the Department of Labor a Bureau to be known as the United States Employment Services". Shortly thereafter the Nevada Job Services, with offices in Reno and Las Vegas, joined ranks with the United States Bureau. From that date to this the Nevada Employment Security Department has grown in its service to Nevada's employers and workers with sixteen offices located throughout Nevada.

As we embark into the decade of the Eighties, new challenges will face the Employment Service. Substantial adjustments both in the structure and technology of the production of goods and services will create economic and labor market changes and new problems for the Nevada Employment Security Department to address. To be sure, we will continue the traditional role of assisting our work force find productive employment and providing employers with the skilled work force they require. However, the role will become more complex as the result of rapid technological change.

The Federal-State partnership was borne to answer the challenge of a Nation shaken by the massive unemployment of the Great Depression. In the 1980's we are again facing the highest unemployment rate since the 1930's. We prevailed then and we will prevail now. The history of America has been, in large part, the history of the American worker. As we recognize the proclamation issued by Governor Richard Bryan commemorating the 50th Anniversary of the signing of the Wagner-Peyser Act, the Nevada Employment Security Department through its nearly 600 dedicated employees pledges itself to work even harder to keep Nevada working.